

Expired Tax Provisions and “Tax Extenders”

Updated February 28, 2018

Revenue measures enacted as part of the Bipartisan Budget Act of 2018 (BBA2018, P.L. 115-123) extended a number of temporary tax provisions that had expired in 2016 or 2017. In the wake of the [2017 tax revision](#) (P.L. 115-97), [Congress has indicated an interest in evaluating expired temporary tax provisions](#) or “tax extenders.”

Table 1 provides information on temporary tax provisions and “tax extenders.” Specifically, the table includes (1) all provisions that expired in 2016 and 2017 and were not addressed in the 2017 tax revision (P.L. 115-97); (2) information on provisions that were extended in BBA2018, including the provisions’ current scheduled expiration dates; and (3) for provisions extended in BBA2018, the cost of that extension over the 10-year budget window (FY2018 through FY2027). Before BBA2018, all provisions listed in **Table 1** had expired at the end of 2016, except for the [Oil Spill Liability Trust Fund excise tax](#), which had expired at the end of 2017.

Generally, BBA2018 extended provisions that had expired in 2016 for one year, through 2017. Since BBA2018 was enacted in 2018, it did not extend expired provisions such that they could provide an incentive for taxpayers in the current tax year. With the 2017 tax revision generally becoming effective in 2018, one perspective is that expired tax provisions were extended through 2017, and are now up for reevaluation under the new tax system taking effect in 2018.

Table 1. Temporary Tax Provisions and “Tax Extenders”

Provision	Extended in BBA2018?	Year Provision Expires	Estimated Cost of Extension in BBA2018 (billions)
Individual			
Discharge of indebtedness on principal residence excluded from gross income	Yes	2017	\$2.4
Premiums for mortgage insurance deductible as interest	Yes	2017	\$1.1
Deduction for qualified tuition and related expenses	Yes	2017	\$0.4
Business			

Congressional Research Service

<https://crsreports.congress.gov>

IN10848

Provision	Extended in BBA2018?	Year Provision Expires	Estimated Cost of Extension in BBA2018 (billions)
Indian employment credit	Yes	2017	\$0.1
Railroad track maintenance credit	Yes	2017	\$0.2
Mine rescue team training credit	Yes	2017	-i-
Three-year depreciation for race horses two years old or younger	Yes	2017	-i-
Seven-year recovery period for motorsports entertainment complexes	Yes	2017	-i-
Accelerated depreciation for business property on an Indian reservation	Yes	2017	\$0.1
Election to expense advanced mine safety equipment	Yes	2017	—
Special expensing rules for certain film, television, and live theatrical productions ^a	Yes	2017	-i-
Deduction for income attributable to domestic production activities in Puerto Rico ^b	Yes	2017	\$0.1
Special rate for qualified timber gains ^c	Yes	2017	-i-
Empowerment zone tax incentives ^d	Yes	2017	\$0.3
Temporary increase in limit on cover over of rum excise tax revenues (from \$10.50 to \$13.25 per proof gallon) to Puerto Rico and the Virgin Islands	Yes	2021	\$0.7
American Samoa economic development credit	Yes	2017	-i-
Energy			
Credit for certain nonbusiness energy property	Yes	2017	\$0.5
Credit for residential energy property	Yes	2021	\$3.2 ^e
Credit for qualified fuel cell motor vehicles	Yes	2017	-i-
Credit for alternative fuel vehicle refueling property	Yes	2017	\$0.1
Credit for two-wheeled plug-in electric vehicles	Yes	2017	-i-
Second generation biofuel producer credit	Yes	2017	-i-
Incentives for biodiesel and renewable diesel	Yes	2017	\$3.3
Beginning-of-construction date for non-wind production tax credit (PTC) facilities ^f	Yes	2017	\$0.3
Credit for production of Indian coal	Yes	2017	-i-
Credit for construction of new energy efficient homes	Yes	2017	\$0.3
Energy credit for hybrid solar lighting, geothermal heat pump, small wind, combined heat and power (CHP), fuel cell, and microturbine property	Yes	2021	\$1.3 ^e
Five-year cost recovery for certain energy property	Yes	2021	\$0.1
Special depreciation allowance for second generation biofuel plant property	Yes	2017	-i-
Energy efficient commercial buildings deduction	Yes	2017	\$0.1

Provision	Extended in BBA2018?	Year Provision Expires	Estimated Cost of Extension in BBA2018 (billions)
Special rule for sales or dispositions to implement Federal Energy Regulatory Commission (“FERC”) or State electric restructuring policy	Yes	2017	—
Incentives for alternative fuel and alternative fuel mixtures	Yes	2017	\$0.6
Oil Spill Liability Trust Fund financing rate	Yes	2018	n/a

Source: Joint Committee on Taxation, *List of Expiring Federal Tax Provisions 2016-2027* (JCX-1-18), January 9, 2018; and Joint Committee on Taxation, *Estimated Budget Effects of the Revenue Provisions Contained in the “Bipartisan Budget Act of 2018,”* (JCX-4-18), February 8, 2018.

Notes: An “-i-” indicates a cost of less than \$50 million. An “—” indicates no revenue cost. An “n/a” indicates no revenue effect from extending the provision.

- a. Film, television, and live theatrical productions are eligible for additional first-year depreciation if placed in service after September 27, 2017, and before January 1, 2027.
- b. The domestic production activities deduction (Section 199) is repealed after 2017.
- c. The special rate for qualified timber gains is provided in Internal Revenue Code Section 1201(b). Section 1201 is repealed after December 31, 2017.
- d. Empowerment zone tax incentives include designation of an empowerment zone and of additional empowerment zones; empowerment zone tax-exempt bonds; empowerment zone employment credit; increased expensing under Section 179; and nonrecognition of gain on rollovers of empowerment zone investments.
- e. The provision was extended through 2021 with a phaseout in 2020 and 2021.
- f. Beginning-of-construction date for wind is December 31, 2019.

In addition to extending expired provisions as noted in **Table 1**, the BBA2018 modified the [advanced nuclear production tax credit](#) and expanded the [tax credit for carbon dioxide sequestration](#). The legislation also includes tax relief relating to certain disasters and several other miscellaneous revenue measures.

Additional background information on extenders generally and descriptions of expired provisions can be found in the following CRS products:

- CRS Report R44677, *Tax Provisions that Expired in 2016 (“Tax Extenders”)*, by Molly F. Sherlock;
- CRS Report R44925, *Recently Expired Individual Tax Provisions (“Tax Extenders”): In Brief*, coordinated by Molly F. Sherlock;
- CRS Report R44930, *Business Tax Provisions that Expired in 2016 (“Tax Extenders”)*, coordinated by Molly F. Sherlock; and
- CRS Report R44990, *Energy Tax Provisions That Expired in 2016 (“Tax Extenders”)*, by Molly F. Sherlock, Donald J. Marples, and Margot L. Crandall-Hollick.

Author Information

Molly F. Sherlock
Specialist in Public Finance

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.